



# Kentucky Economic Update

October 21, 2016

## Summary

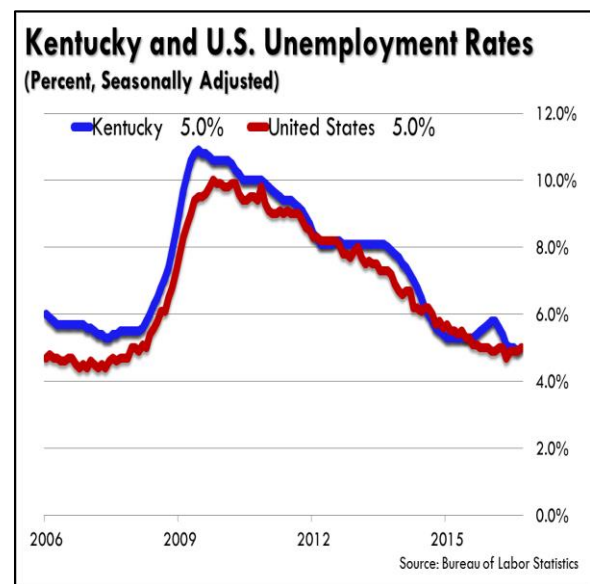
Nonfarm payroll employment in Kentucky increased by 11,500 jobs, and the unemployment rate rose to 5.0 percent in September according to data released by the Bureau of Labor Statistics (BLS).

## Kentucky Unemployment Rate

During September, the unemployment rate in Kentucky increased by 0.1 percentage point to 5.0 percent. The number of people counted as unemployed rose by 2,034 in September to 99,124, while the labor force grew by 12,605 to 1,981,794. Among the 50 states and the District of Columbia, 28 posted lower unemployment rates for the month than Kentucky. A year earlier, the unemployment rate in Kentucky stood at 5.4 percent.

The 10-year peak for the unemployment rate in Kentucky was 10.9 percent in June 2009. The series high for the unemployment rate in Kentucky occurred in February 1983 when the unemployment rate reached 12.1 percent. The 10-year low for the unemployment rate in Kentucky was 4.9 percent in August 2016. The series low for the unemployment rate in Kentucky occurred in May 2000 when the unemployment rate was 4.0 percent. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate rose by 0.1 percentage point to 5.0 percent in September. September's unemployment rate was 0.1 percentage point lower than a year earlier. The 10-year high for the national unemployment rate was 10.0 percent in October 2009. The 10-year low was 4.4 percent in May 2007.



## Kentucky Payroll Employment

Kentucky nonfarm payrolls increased by 11,500 jobs, or 0.60 percent, on a seasonally adjusted basis during September. In the prior month, nonfarm payrolls increased by 1,500. Over the past 12 months, nonfarm payrolls in Kentucky increased by 25,800, or 1.36 percent. Kentucky nonfarm payroll employment has increased in 7 of the past 12 months.

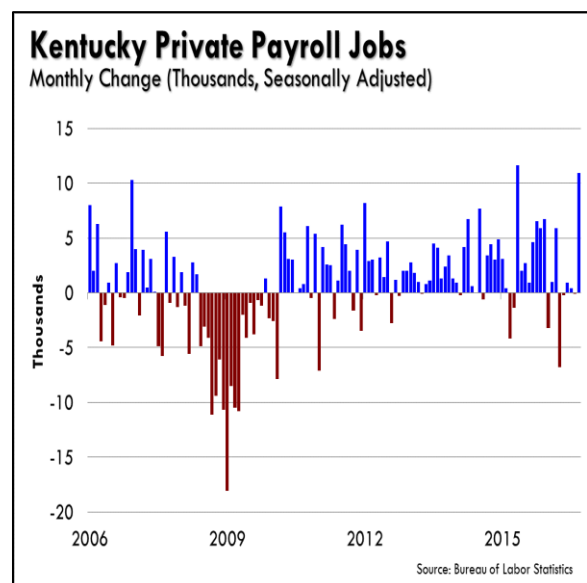
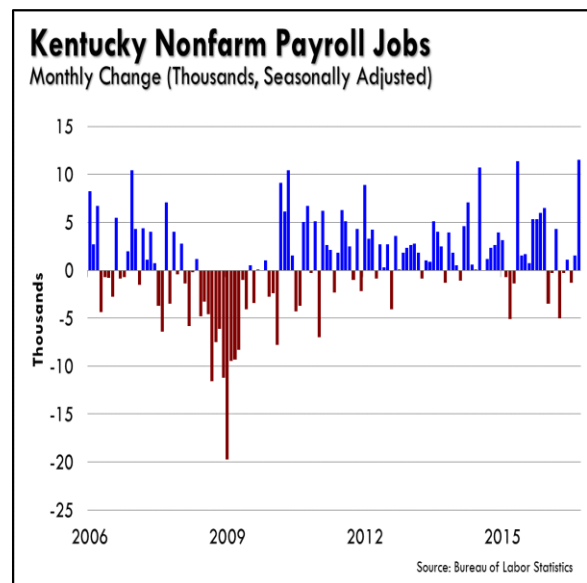
Nationally, nonfarm payrolls increased by 156,000 jobs in September, or 0.11 percent. Over the 12-month period ending September 2016, nonfarm payrolls grew by 2,447,000 jobs, or 1.72 percent. Kentucky ranks 29th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

During September, Kentucky private-sector payrolls increased by 10,900, or 0.69 percent. Private-sector payrolls declined by 100 jobs in the prior month. Over the past 12 months, private-sector payrolls in Kentucky increased by 27,900, or 1.77 percent. Kentucky private-sector payroll employment has increased in 8 of the past 12 months.

Nationally, private-sector payroll jobs increased by 167,000 jobs in September, or 0.14 percent. Over the past 12 months, the nation's economy has added 2,302,000 jobs in the private-sector, an increase of 1.91 percent. Kentucky ranks 27th among the 50 states and the District of Columbia for percentage gain in private-sector payroll employment over the past 12 months.

During September, total government payroll employment in Kentucky increased by 600, or 0.19 percent. Federal government payroll employment increased by 600, or 1.63 percent. State government payroll employment increased by 200, or 0.21 percent, while local government payroll employment declined by 200, or 0.11 percent.

Over the past year, total government payroll employment declined by 2,100, or 0.66 percent. State government payroll employment declined by 2,300, or 2.32 percent. Local government payroll employment declined by 700, or 0.38 percent.



The best performing sectors on a seasonally adjusted basis during September were Professional & Business Services (+6,200) and Leisure & Hospitality (+2,500). The poorest performing sectors during the month were Other Services (-400) and Construction (-200).

The best performing sectors during the last twelve months were Educational & Health Services (+10,600) and Trade, Transportation & Utilities (+9,300). The poorest performing sectors during the last twelve months were Mining & Logging (-2,300) and Total Government (-2,100).

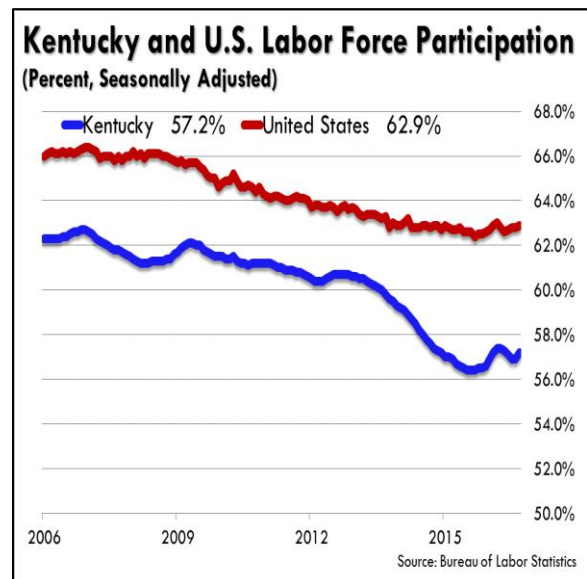
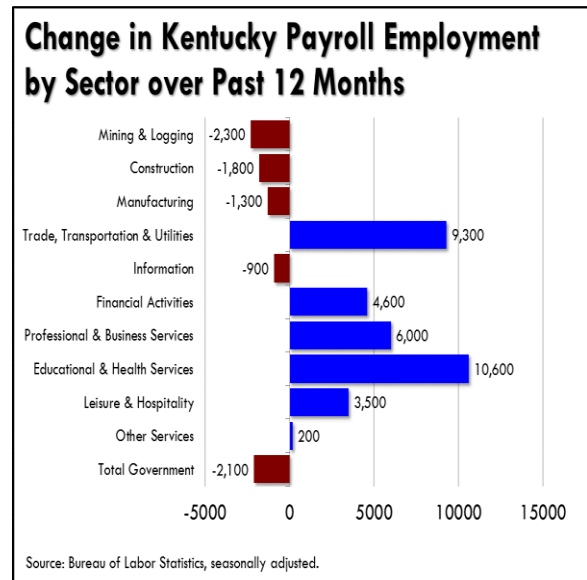
#### Other Kentucky Labor Force Statistics

The labor force participation rate in Kentucky rose to 57.2 percent in September from 56.9 percent the prior month. At 57.2 percent, Kentucky has one of the five lowest labor force participation rates in the nation. The labor force participation rate in Kentucky is 0.8 percentage point higher than a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.

The 10-year high for the labor force participation rate in Kentucky was 62.7 percent in December 2006. The series high for the labor force participation rate in Kentucky occurred in August 1999 when the labor force participation rate hit 64.1 percent. The 10-year low for the labor force participation rate was 56.4 percent in September 2015. This also represents the series low for the labor force participation rate in Kentucky.

The national labor force participation rate rose by 0.1 percentage point to 62.9 percent in September, but remains near its 38-year low of 62.4 percent.

The employment-to-population ratio, or the percentage of the Kentucky civilian noninstitutionalized population 16 years and older counted as employed, rose to 54.3 percent in September from 54.1 percent the prior month. At 54.3 percent, Kentucky has one of the five lowest employment-to-population ratios in the nation. The employment-to-population ratio in Kentucky is 0.9 percentage point higher than a year earlier.



The 10-year high for the employment-to-population ratio in Kentucky was 59.1 percent in January 2007. The series high for the employment-to-population ratio in Kentucky occurred in April 2000 when the employment-to-population ratio hit 61.3 percent. The 10-year low for the employment-to-population ratio was 53.3 percent in November 2015. The series low for the employment-to-population ratio occurred in December 2015 when the employment-to-population ratio was 53.3 percent.

The national employment-to-population ratio rose by 0.1 percentage point to 59.8 percent in September. That rate was 0.5 percentage point higher than a year earlier. The all-time high for the employment-to-population ratio was 64.7 in April 2000. The 10-year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population ratio posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for October is scheduled for release on November 18, 2016. The national employment situation report for October will be released on Friday, November 4, 2016.

